



Andrew M. Chaban
Chief Executive Officer

December 13, 2004

VIA FACSIMILE

The Owners of Captain Parker Arms Apartments
125 Worthen Road
Lexington, MA 02421

RE: Offer to Purchase
94 Apartment Homes
Lexington, MA 02421

Dear Owners:

Pursuant to our recent conversations and after completing an initial site review, outlined below please find the terms and conditions under which an affiliate of Princeton Properties ("Princeton") would be interested in purchasing the above referenced asset.

Price: \$16,450,000

Terms: All cash at closing.

Deposit: One Hundred Thousand Dollars (\$100,000.00) due at signing of a mutually acceptable Purchase and Sale Agreement for any accepted portfolio offer.

Buyer: An affiliate of Princeton Properties of Lowell, MA.

Diligence: Sixty (60) days from acceptance of offer and an additional thirty (30) days for closing. Buyer may elect to extend due diligence period with Seller's consent, not to be unreasonably withheld or delayed for items to which Buyer has not been satisfied, and Seller agrees that Buyer is working in a diligent manner to satisfy legitimate concerns.

We would ask that all hazardous waste studies, lead paint studies, asbestos studies and other potential environmentally sensitive surveys be forwarded for review by Princeton, its lenders and its Counsel. As well, we would ask for any documents regarding historical or outstanding structural deficiencies or municipal citations be sent to us and/or delivered to us for investigation. Upon acceptance of an offer, we will formally introduce our due diligence professionals and those of our lender to the site for review.

TRO 3350

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Management:

After the Purchase and Sale Agreement is consummated, Princeton would respectfully request that it reviews all future rental applications as staff or agents take them.

Brokerage:

The Seller is responsible for all commissions.

Counsel:

Jeffrey Brown, Princeton Properties
Edward Saxe, Esq., Bingham McCutchen LLP

Please note that this offer will not bind either party legally until we have executed a mutually acceptable Purchase and Sale Agreement.

We deem Captain Parker Arms Apartments to be a natural fit to our acquisitions criteria, allowing expansion of our presence as a leader in apartment ownership and management in New England. Please note that acquisition of a fractional interest in the Ownership would also be considered. This offer is valid through Monday, December 20, 2004.

Very truly yours,



Andrew Chaban